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How AI is disrupting the first rung of the advisor career ladder

By Rob Burgess

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When AI boosters seek to reassure skeptics that the new technology won't make white-collar workers redundant, they usually frame it as an enabler, not a replacement.

But entry-level positions may be vulnerable.

A recent Society for Human Resource Management study found that 78% of hiring managers said AI use will lead to layoffs of recent graduates. That means the increased use of AI could reduce opportunities for students or career changers seeking internships or entry-level jobs in wealth management.

Though AI will certainly change how the next generation enters the profession, advisors say opportunities for newcomers will remain.

Evolving AI will transform the nature of some early career roles

AI isn't eliminating the need for junior advisors, it's shifting the way they learn, said Melissa A. Caro, founder of the platform My Retirement Network, a digital media company.

"Technical knowledge has always been table stakes in this profession," she said. "What actually differentiates a great advisor is their humanity, the ability to explain complex financial choices in a way that clients understand and feel comfortable acting on. AI can take over rote tasks like note-taking, but that doesn't erase the role of a new advisor."

In fact, Caro said, AI can raise the bar. Compliance requires human oversight, and if AI generates meeting notes, the advisor, not the algorithm, is still responsible for accuracy, she said.

"A junior advisor reviewing those notes has to add nuance, interpret context and correct mistakes," she said. "That's a deeper engagement. Instead of functioning as a 'note-taking robot,' they're being pushed to listen critically and understand the conversation on a higher level."

One advisor who has seen this shift in entry-level positions first-hand is Charles Kyle Harper, founder of the fee-only Harper Financial Planning in West Columbia, South Carolina. A few years ago his colleague hired a young man, just out of college and still getting his licenses, to be a scribe during meetings and to assist with the data input portion of the financial planning process.

"Today, AI can completely replace the tasks that an aspiring advisor was

performing," Harper said. "Some may say it will create a barrier to entry to joining a specialized field like financial planning. I think, however, that AI will replace those more monotonous tasks with higher-skilled ones."

Reggie Fairchild, financial advisor and president of Mount Pleasant, South Carolina-based wealth management firm Flip Flops and Pearls, said he is using AI not to replace junior associates but to help them ramp up faster and become more useful to the firm and its clients.

"A motivated associate who learns how to query AI effectively can uncover information, draft notes and test ideas in ways that accelerate their development," he said. "That said, AI is not a substitute for experience — human guidance is still essential to help new team members filter what's relevant, avoid pitfalls and apply judgment."

The last two part-time contractors hired by Benjamin Simerly, founder of Lakehouse Family Wealth in Cleveland, help to finish tasks that AI can partially perform, like note-taking, but cannot yet complete all the way through the funnel.

"The better AI gets, the more interesting the work will become, even at an entry level," he said.

AI is replacing some tasks, but human input remains key

As an advisor, Harper said his daily tasks can be tiered. At the top of the hierarchy are the tasks that require human input and the application of specialized knowledge.

"AI is not at the point where it can replicate the human element of reading through the words and examining the underlying emotions or goals," he said. "It is also not yet sophisticated enough for providing high-level financial advice. I routinely find errors when using it in my own practice."

The middle-tier tasks include building plans, rebalancing portfolios and communicating that information to clients, said Harper.

"There are certainly some of those that can be performed by AI," he said. "In the lowest tier are those that are purely informational and performative, which will largely be replaced. I think AI will just allow aspiring advisors to start in that middle tier instead of the bottom tier and help them more quickly climb to the point of proficiency."

In the future, the first place that aspiring advisors will get their start is in the management of AI software and related tasks, said Simerly.

"In the big picture, advising firms are always adding one or both of two things: more services and more clients," he said. "What this means is that AI will likely be used to increase the rate at which, and ease with which, we grow our firms on

the one hand, and the breadth and depth of services on the other."

The one constant in the world of software is that it always needs human support, and that means there will be a lot of AI that needs managing, implementing and maintenance in support of those services and new clients, said Simerly.

"Aspiring advisors and entry-level positions will provide this human-side software support," he said.

Mentorship and training are still necessary

AI can speed up rote tasks, but junior advisors still need human mentorship to understand why certain insights matter and learn how to prioritize and translate data into client-friendly advice, said Fairchild.

"Our associate even joked recently, 'With help from my little buddy, I can get that done today,' referring to ChatGPT," he said. "It was a lighthearted comment, but it reflects how AI is becoming part of his daily toolkit — and how it helps him gain confidence and momentum in his role."

New advisors need structured mentorship and intentional training programs that focus on judgment, empathy and relationship-building, said Ramiro Marmolejo, founder of Financial Rubrics in San Antonio, Texas.

"These skills must be exemplified and taught," he said. "They cannot be automated — and they certainly can't be learned by staring at an algorithm."

While AI may eliminate some of the traditional pathways into the profession, it also opens new avenues, said Fairchild.

"The real challenge — and opportunity — is to teach the next generation not just technical finance skills, but also how to collaborate with AI effectively while developing the human judgment and empathy that clients depend on," he said.

Omen Quelvog, founder of Formynder Wealth Management in Spotsylvania, Virginia, said he was just thinking about this very topic as he was watching "an admin punch away at a keyboard taking meeting notes on a video training."

"The challenge for firms now is to set up an onboarding and training program where junior advisors can provide some value to the firm while learning how to interact with clients in a meaningful way," he said. "Growing firms may not need to look much further than the generation of solo RIAs who've launched in the last decade, some of whom have had no experience and no training yet have figured out how to grow a successful firm. I have no doubts that the industry will figure out how to do this against the risk of otherwise becoming extinct."

AI may be changing entry points and early roles in the industry. But that's been the case any time a new technology replaces monotonous tasks, said Caro.

"The industry shouldn't fear that," she said. "It should double down on training new advisors to build the skills AI can't touch: empathy, communication and client trust. If we do that, AI could actually accelerate development instead of closing doors."